

FRANCHISE TAX A JOKE TO THE P. S. CORPORATIONS; CITY LOSES AT EVERY TURN

Consolidated Gas Bookkeeping Illustrates How the "Tax and Interest" Charged Is Manipulated—Gross Earnings Tax the Remedy.

The Evening World experts have demonstrated the futility of forcing public utility corporations to pay a proper proportionate tax on a net income basis and have insisted that the most effective method was to assess on gross earnings—which limited the opportunity to bookkeeping jugglery. The State collected on a gross earning basis and the city tax should be similarly applied—at a rate to be determined by the Legislature—and an end would be put to the years of litigation and compromise which have followed a weak enforcement of the franchise tax law.

The special Franchise Tax law has few friends outside the corporations. They fought it from the first, finally tamed it and now it eats out of their hands. If the city could collect today the money that public service corporations owe for franchise taxes the tax rate would probably be about the same as last year in spite of the unjust and oppressive direct tax which Gov. Whitman now admits was unnecessary.

The corporations persistently dispute the franchise tax assessments. The city authorities have sent about the country for experts to come here and make the assessments, and sometimes it has been found that the outside experts were of a most pessimistic turn of mind concerning the value of public service property in the city streets. As the expenses of the city have climbed and climbed the assessed valuation of corporations for franchise purposes has slumped and slumped.

Between 1910 and 1913 the public utilities companies of the city disputed assessments for franchise tax purposes amounting to \$2,476,442.136. The corporation defied the city to collect, and the matter dragged along until 1910, when settlements began to grow out of court proceedings. The assessment was reduced \$551,333.725, or 22 per cent. Readers of The Evening World will do well to keep their attention on this matter of the special franchise tax, because it is going to make some amazing revelations as this series of taxation articles develops.

JUST HOW THE CONSOLIDATED JUGGLES IN BOOKKEEPING.

The Interborough and the B. R. T. are notorious franchise tax dodgers, but it remains for the Consolidated Gas Company to use the plan of refusing to pay the special franchise tax as a means of making the books show less profit than is really earned. Here is what the Public Service Commission said about the report of Consolidated Gas for the fiscal year 1913-1914—the latest available.

"There was charged to income and set aside for unpaid special franchise taxes and taxes on mains, pipes and connections" approximately \$1,741,000 together with some \$335,000 for interest on unpaid taxes. It is the practice of the Consolidated Gas Company, even when they are disputing these tax levies, to charge against income not only the total amount of levy but also the maximum interest penalty (7%) per annum.

"As a result of this policy expenses are overstated and profits are understated. At the time of the last settlement of the special franchise taxes, which was in 1910, for the three years 1907-09, the Consolidated Gas Company alone obtained a reduction from \$1,378,000 to \$765,000 (an abatement of \$613,000) besides a reduction in the interest penalty from \$224,000 to \$80,000, thus returning to surplus \$1,157,000 representing previous overcharges to income."

"The New York Edison Company at the same time obtained abatements aggregating \$568,000, and other subsidiary companies of the Consolidated Gas Company obtained similar abatements."

There are some figures to ponder over, gentle real estate owner, in connection with the fact that the tax rate for the year is estimated at \$21.40

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P. S. RECORD FALSE, MALTBIE SWEARS, IN LIGHTING CASE

Former Commissioner Vehemently Denies He Voted for Delay, as Minutes Show.

AFFECTS M'CALL STOCKS.

Witness Also Gives Inside Facts on Brooklyn 95-Cent Gas Rate Fight.

By Sophie Irene Loeb.

Considerable light on the past activities of the Public Service Commission was shown before the Thompson Investigating Committee by the chief witness at yesterday's session, former Commissioner Milo R. Maltbie, when confronted with the records of March 2 last, in which Maltbie was recorded as voting with Chairman McCall in favor of an extension of time in the Brooklyn Edison rate case.

Mr. Maltbie proclaimed the record of that vote as false. This is significant in view of the recent developments concerning this corporation, which is the operating company of the Kings County Electric Light and Power Company, the latter being the concern in which McCall's wife held stock. It develops that if Maltbie had been recorded properly, as voting in the negative, it could not have passed without McCall's vote. There were four Commissioners present, and a majority vote of the commission was necessary.

The testimony clearly disclosed that Maltbie vigorously opposed favoring the company in an extension of time, and it has since developed this case is still pending. Maltbie being gone out of office during the time for which this extension was allowed.

ALSO GIVES NEW LIGHT ON GAS RATE CASE.

Mr. Maltbie further made some important statements concerning the Kings County gas case now pending before the commission, and in which Maltbie's wife's stock is involved. He recommended a ninety-five-cent rate, deemed to be exorbitant by the people of the Thirtieth Ward who have been fighting for an eighty-cent rate for five years.

Maltbie showed how the figures found by the former Public Service Commission differed in but \$2,000 from the company's own figures. As has been exposed by The Evening World, and by the evidence before the investigating committee, the company voluntarily offered to reduce the price of gas on a sliding scale in 1911 from ninety cents so that there would now have prevailed an eighty-cent gas rate.

The commission did not accept these rates from the company, but after investigation provided a similar rate on eighty-cent basis. According to Mr. Maltbie the figures on which these similar rates were based were so close that he attempted to effect an agreement with the company in order to avoid litigation; but evidently, according to ex-Judge Morgan J. O'Brien, attorney for the company, the latter preferred to litigate, which has proved profitable to the company, especially since the company is allowed to still charge ninety-five cents in this locality, and if Commissioner Williams' opinion is adopted will continue.

WILLIAMS ACCEPTED FIGURES OF THE GAS COMPANY.

However, the Thompson committee yesterday asked the commission to suspend judgment on this case until they had examined it. Mr. Maltbie's testimony as to the small difference in figures is as follows:

Judge O'Brien came to the office—think we had two or three conferences regarding the matter—and I suggested to him, asked him, what the attitude of the company would be upon a rate such as outlined in my opinion, which called for a rate of 85 cents for the remainder of 1912, and at 80 cents to Jan. 1, 1913. The Judge said that the matter would be taken up with the company, and they would consider it and let us know what their attitude on it would be later. We were later informed that the rates which we had suggested would not allow them an amount of money which they considered sufficient.

Q. Informed by whom? A. We were informed by Judge O'Brien. Well, I asked him then what the difference was—how much difference there was between their figures and our own figures, the idea being to see whether the difference would be such a minor matter that we could get a settlement of the case or whether we were so far apart that a settlement was out of the question.

Judge O'Brien informed us either at that time or at a later date, but in the fall of 1911, after the figures had been made, that there was a difference of about \$2,000 in the income that our rates would provide, according to the estimates of the company, and the estimates prepared by the company themselves as to the net income that they thought they ought to have. It might not have been exactly \$2,000, but it was around that figure.

Well, I expressed myself at once that if the difference be-

THE AMERICAN MOTHER OF TO-DAY



She's a Success, but There Seems to Be a Growing Belief That She Isn't Getting a Fair Show From the State, Which Makes Motherhood, Under Modern Economic Conditions, More and More Difficult.

By Marguerite Mooers Marshall.

Not the American mother of to-day, but a conspiracy of civilization is responsible for the dwindling of the American family, according to two letters which I have received respectively from a man and a woman.

Even before she is a wife and mother, argues "Mrs. L. G.," the stuffy office or the machine-choked factory drains the vitality of the American girl. When she marries and has a number of children she is thereby automatically barred from many apartments. When she ultimately settles in a place where the practice of race suicide is not a condition of tenancy, she finds that her children cannot play indoors without evoking complaints from all her neighbors. Yet if the youngsters go into the streets they risk death hourly from the manifold modern descendants of the car of Juggernaut. "Bachelor" takes up the strain to point out that as the children reach adolescence, Judge Poverty is ever ready to pass upon them the sentence, "Working Papers," and that the average mother and father who would ignore this mandate in the interests of education must make exceptional sacrifices, particularly if the family is a large one. And each writer, the woman positively, the man interrogatively, deals with the question of just how far a woman's "duty to the State" should carry her when the State places such obstacles in her path—or at least does nothing to remove them.

WHAT DOES THE STATE DO FOR THE MOTHER?

The intelligent mother of to-day cannot escape from this question. The self-appointed spokesmen of "the State" say to her in effect: "It is your job to produce citizens, and in the doing of this job you must endure days of pain and months of weariness; you must risk an agonizing death over and over again; you must use up the best, most vigorous, most productive years of your life. Your children shall be provided with free schooling, but not with free milk, although they must drink milk if they are to live to school age; there shall be parks for them, although perhaps located miles from where they live; in the libraries they may obtain free books, but I expect you to keep them supplied with shoes. What shall you receive for your services? Why, what do you need beyond the consciousness that you are doing your full duty to the society in which you live! Just think about that and smile happily when you're so tired that you wish you were dead."

Children are their own reward, of course, for the many women who instinctively love them and on whom the burden of supplying their material needs does not fall too heavily. But does the modern State provide such beautiful and harmonious conditions for mothers and children that it has the right to demand of the former a multiplicity of the latter? And in most communities women are not even given a chance to work, with their votes, for a betterment

of the conditions under which the younger generation must grow up. Isn't it rather superficial to attribute our small families solely to the selfishness and frivolity of the American mother of to-day? Do Evening World readers believe that she is as selfish and frivolous as many critics assert?

The man nowadays who feels a John-the-Baptist mood coming on doesn't go into the desert and eat locusts and wild honey; he sits down at his desk and writes a novel about the heartless American woman. But is she really a failure as a mother? Tell me what you think about it.

MOTHERHOOD DISCOURAGED BY "NO CHILDREN ALLOWED."

"Dear Madam: I am foreign-born but American-bred. Lack of health, food, clothes and room compels me to believe that the small family is advisable. When the American girl reaches her sixteenth year she enjoys, if she has been educated, a stuffy little office and a ten-cent lunch. If she has not been educated she goes from the little flat where she has been brought up to an electrical machine in a factory on the tenth or eleventh floor, where all the youth and vitality is drawn from her.

"I agree with you that the Americans of a hundred years ago had big families and that Lincoln and Garfield were poor boys, but tell me, dear madam, did their parents ever get turned away from a flat where they were told, 'Oh, no large families! Two is the limit here,' or perhaps no children are allowed? No, the days are gone when people lived in little cottages, where the children were allowed to romp and play in the gardens and woods. They were little expense and no trouble. There were no cars or autos to run them down to death, as happens with the poor little tots of to-day. In the flats they must stand as still as statues or the neighbor downstairs will complain. They must not stand on the stoops. Their only playgrounds are the gutters, where they may be crushed to death.

"We owe the State a duty, for the State does not provide for us unless

American mother does not prove that they will reach maturity. Let our good friend, Dr. Guilfoyle, give us that percentage of the number that do against the children of the American born. Will he also tell us what children of tender age are found in the sweatshop factory or the mines? Do they come from the small family of the American woman, or the large family of the foreign woman? He claims the American woman, because of her duty to the State, should have a large family. Why?

"I am a great defender of American women. There are a few of the class he describes, so few as to be almost negligible.

"The greatest fault of the American mother is that she may be too indulgent with her small family. The foreign-born mother rules her family with fear. In the same economic circumstances you will find the foreign-born mother looking toward the time when her

children can get their working papers, while the American mother will be making sacrifices so that her children can get an education.

"I was born in England, was the youngest of five children and am the only one living. One died under two years, one in the fifteenth year, another in the seventeenth year, another in the twenty-first year. I believe in quality, not quantity.

"BACHELOR."

GO TO WASHINGTON HEIGHTS AND SEE FINE "KIDDIES."

"Dear Madam: The answer to your questions in last night's Evening World is:

"All those who are in doubt that the 'Made in America' mother is not the best in the world, take a walk any day (morning or afternoon) on Washington Heights and see the 'kiddies'—healthy, beautiful, happy and strong. Hygiene is there. J. B. V."

To the Public

Announcement has been made in the columns of a theatrical magazine to the effect that

PATHE

has formed a combination with other moving picture interests, these latter having stock for sale.

The report has absolutely no foundation.

Pathe Has No Stock For Sale

Pathe has not combined, nor will Pathe combine with any moving picture interests selling stocks to the public.

LOUIS J. GASNIER,

General Manager.

Pathe Exchange, Inc.,

25 W. 45th Street.

we toil and pay for it. As for the smoking schoolboys, I think the foreign boys are early smokers. Painted schoolgirls are scarce. That education is cheap is a fact, but can we feed our children on it? Oh, no. Visit the poor quarters where they have big families and see how the children die for lack of proper food.

"MRS. L. G."

THIS BACHELOR THINKS AMERICAN MOTHERS O. K.

"Dear Madam: Are foreign-born mothers better than American mothers? I say, decidedly, 'No.' True, the foreign-born mother gives her children more individual care in nursing than the American mother, but the foreign-born mother with her large family is likely to look on her children as so much property and to consider how soon will they be able to add to the family purse. Because they survive infancy better than children of the



No Child Is "Naturally Lazy"

YOUR little boy or girl isn't listless, apathetic, sleepy at the wrong time—naturally.

Something is wrong.

That something is usually constipation.

Constipation is one of the greatest dangers of childhood—not only in childhood but because it is an insidious habit that grows and becomes chronic as the years go on.

Do not use cathartics and strong purges for children, except on doctor's orders. They weaken the natural process of evacuation and are dangerously habit-forming.

Nujol, a pure white mineral oil, is the medically endorsed remedy for constipation. Nujol acts solely as a lubricant oiling the intestinal tract, softening the contents, and thus promoting easy normal evacuations. It is not absorbed by the system, and may be taken in any quantity without harm. Hence it is especially recommended for children.

Nujol is colorless, odorless and tasteless. Over 42,000 doctors already have asked us to send them samples of Nujol.

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